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NEWS SUMMARY

GENERAL Black rule talks to resume

Mr. Ian Smith's Rhodesian Government smoothed relations with Bishop Abel Muzorewa's United African Council...

Snow spreads Snow spread southwards bringing chaos to many parts of Britain...

Cairo talks Egypt and Israel resumed military negotiations in Cairo after an unexpected meeting between Gen. Gamassi, Egyptian War Minister...

Mirage deal France has beaten off U.S. competition to sell 18 Mirage F1 fighter-bombers worth \$800m to Spain...

Greig dismissed Sussex County Cricket Club has overruled a decision to re-appoint Tony Greig captain.

Briefly... Mr. Leonid Brezhnev, 71, Soviet president, reappeared in Moscow after a 26-day absence from public engagements.

Mr. Jack Jones, general secretary of the Transport and General Workers Union, has been appointed to the Royal Commission on Criminal Procedure.

Mr. Peter Jay, British ambassador to the U.S., is in London for talks with his father-in-law, Mr. James Callaghan.

A U.S. State Department employee and a Vietnamese were arrested in Washington on charges of spying for the Hanoi Government.

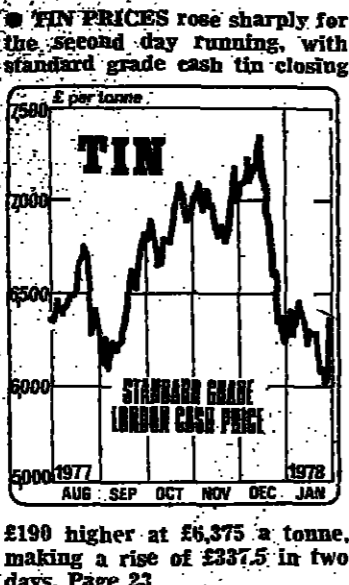
Corwall County Council is to set up skateboarding courses at Bodmin and Redruth.

An armed raider robbed two security guards of £25,000 at a Worthing, Sussex, branch of the National Westminster Bank.

Soccer: FA Cup tie, fourth round, Nottingham Forest 2, Manchester City 1.

REED INTERNATIONAL pronounced its third quarter ended December 31 fell by 11m to £18.9m, with the overseas contribution showing a marked decline.

BUSINESS Tin price rises; equities down 3



TIN PRICES rose sharply for the second day running, with standard grade cash tin closing £190 higher at \$6,575 a tonne...

EQUITIES suffered early losses, but major shares made a late improvement.

GILTS closed with falls of 1/2 in spite of better news of the U.S. economy.

STERLING rose 25 points to \$195.00 but its trade-weighted index remained unchanged at 66.5.

GOLD rose \$1 to \$175.1.

WALL STREET closed 2.52 down at 789.92.

NEW YORK Stock Exchange Summary: Standard & Poor's 500 index rose 1.25 points to 195.00.

NEW YORK Stock Exchange Summary: Dow Jones Industrial Average rose 1.25 points to 1,195.00.

NEW YORK Stock Exchange Summary: Nikkei 225 index rose 1.25 points to 19,500.00.

NEW YORK Stock Exchange Summary: Hang Seng index rose 1.25 points to 1,195.00.

NEW YORK Stock Exchange Summary: CAC 40 index rose 1.25 points to 19,500.00.

NEW YORK Stock Exchange Summary: DAX index rose 1.25 points to 1,195.00.

NEW YORK Stock Exchange Summary: FTSE 100 index rose 1.25 points to 19,500.00.

NEW YORK Stock Exchange Summary: Nikkei 225 index rose 1.25 points to 19,500.00.

NEW YORK Stock Exchange Summary: Hang Seng index rose 1.25 points to 1,195.00.

NEW YORK Stock Exchange Summary: CAC 40 index rose 1.25 points to 19,500.00.

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NEW YORK Stock Exchange Summary: Nikkei 225 index rose 1.25 points to 19,500.00.

NEW YORK Stock Exchange Summary: Hang Seng index rose 1.25 points to 1,195.00.

Export prospects and sterling rise still worry industrialists

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A continuing lack of industrial confidence, fuelled by worries among industrialists about the impact of the rising pound and Britain's general prospects in export markets, was reported by CBI leaders yesterday.

This contrasts with optimistic "Any confidence in the economic speeches made recently by the Prime Minister and other leading members of the Government, and trial situation" the survey, he will lead the CBI to call for a said, was "not very cheerful reading."

However, the CBI does believe that there may be some evidence of an improvement in retail sales which are not included in the survey.

Some leading retailers who belong to Mr. Pennock's committee have reported that they believe an increase in consumer spending which started before Christmas may prove to have continued beyond the January sales.

But the CBI will opt for a lower figure than the £3bn. deflation proposed by the TUC and will also urge, in contrast to the views of union leaders, rapid relaxation of exchange controls.

The general lack of confidence among industrialists, accompanied by a warning that the recession continues, was spelt out yesterday when the CBI published its quarterly survey of manufacturing industry trends.

It prompted Mr. Ray Pennock, a deputy chairman of ICI, who is chairman of the CBI's economic situation committee, to state: "The CBI's concern is based on evidence from the 2,100 companies responding to the survey early in January who employ some 3m. people and account for half the country's manufactured exports."

This showed that export markets are much less buoyant and that a lack of price competitiveness is featuring prominently among factors likely to prevent companies winning export orders.

Continued on Back Page

MARKET SHARE DROPS TO 20%

Government backs changes at Leyland

BY OUR INDUSTRIAL STAFF

MR. MICHAEL EDWARDS, 20.7 per cent. chairman of British Leyland, has gained broad Government approval for the plans to reorganise the company which he will put to a meeting of unions and management in Birmingham to-day.

The proposals have been considered by a Cabinet committee chaired by Mr. Eric Varley, the Secretary of State for Industry, and Mr. Edwards has been told that he can go ahead with his reorganisation without need of further Government approval.

This support for his proposals, which involve trimming some projects, reducing the labour force and introducing a more decentralised structure, will put him in a strong position to take a hard line in dealing with opposition from the unions.

So far reaction to Mr. Edwards' ideas, which he has already outlined to senior trade union officials, has been muted. But Leyland shop stewards are mobilising a campaign to enlist support from MPs for their alternative campaign to expand car output rather than cut jobs.

Mr. Edwards' case against the expansionist target is that Leyland cannot hope to rebuild its marketing position in the U.K. until confidence in its products and ability to supply returns.

The company's sales, which slumped from 27 to 24 per cent. of the U.K. market last year, have fallen further in January to only 20.7 per cent.

In the last few days Leyland sales have been 17 per cent. of the market, only about twice as many as those of Datsun, the leading importer. Despite an improving stock position and a January market of about 150,000 units—the largest for several years—Leyland is now trailing about ten percentage points behind Ford in the U.K. tables.

These results underline the gloomy message which Mr. Edwards has already pressed home in preliminary talks with national trade union officials.

He has given them a broad indication that jobs could be cut this year by between 10,000 and 15,000 in the cars group, depending on what market share the company finally achieves in the U.K.

This share, he has said, could be between 20 and 30 per cent. He has warned that if the cut comes is closer to 20 per cent, the British Leyland Board will not shrink from recommending drastic action to cut the company's car-manufacturing facilities.

His other proposals to-day are expected to outline the creation of two separate car-producing organisations based on the former Austin Morris and Jaguar Rover Triumph companies, plus a parts business.

All the plans must go to the National Enterprise Board, Leyland's main shareholder.

EEC agrees on two-stage 'green pound' devaluation

BY MARGARET VAN HATTEN

EUROPEAN Agricultural Ministers to-day resolved their differences over Britain's request for a 7 1/2 per cent devaluation of the "green pound" and unanimously approved a two-stage compromise formula.

A 5 per cent devaluation of the "green" currency rate by which Britain's farm prices are calculated, is to take effect from Thursday in the two most troubled sectors, pig meat and beef.

Further adjustments leading to a full 7 1/2 per cent devaluation in all sectors will be tied to final agreement on price increases in the Community's annual farm price review, expected to get under way after the French General Election in March.

These will include a further 2 1/2 per cent devaluation for pig meat and beef and a 7 1/2 per cent devaluation for milk and milk products, to take effect as soon as the price package is agreed.

The 7 1/2 per cent devaluations on all other products will be phased in at the start of their respective marketing years.

The agreement, while providing immediate relief for British livestock producers, leaves scope for EEC members with strong preferences to protect their farmers by applying pressure on Britain should it try to press for minimal price increases during the price review.

The outcome is clearly a victory for Mr. John Silkin, Agriculture Minister, who has emerged from the bitter wrangling of the past week with every indication of having enjoyed himself almost as much as he has irritated his EEC counterparts.

His reputation in Brussels for building tactics combined with skillful manipulation of officials, politicians and Press does not appear to have suffered.

He has displayed mastery in expressing outrage that anyone should challenge the authority of the House of Commons, boycotting the unofficial fisheries meeting in Berlin, thus robbing it of much of its purpose, and making Mr. Fenn Olav Gundelach, the EEC Agriculture Commissioner, say that the 5 per cent devaluation sought by the U.K. was economically sounder than the 7 1/2 per cent.

adjustment forced on it by the House of Commons. "I am frankly a little more than satisfied," Mr. Silkin said after this morning's meeting.

But some of Britain's EEC partners are less happy with the agreement. Herr Josef Ertl, German Agriculture Minister, told the Council he accepted the compromise with reluctance.

He backed an earlier remark by Alphons Van Der Smissen, Dutch Agriculture Minister, that the EEC was becoming a menu from which members selected only the parts that suited them. Herr Ertl said he had yielded only on condition that all member States entered the price negotiations without prejudice for a fair solution.

Fishing policy talks collapse

BRUSSELS, Jan. 31.

the Commission's proposals for 1978 fishing catch quotas and for conservation measures. This ensures continuation of the ban on North Sea herring fishing and on industrial fishing which depletes whitefish breeding stocks in the so-called Norway post box area.

Mr. John Silkin, the Fisheries Minister, said until the end against this resolution.

The latest House of Commons statistics show that just under 28,000 immigrants arrived in 1977. Mr. Callaghan said in the Commons that numbers were 25 per cent. down on the previous year.

Mr. David Steel, the Liberal leader, argued that vague talk by the Conservative of reducing immigration without being specific merely encouraged "fear, uncertainty and prejudice."

Mrs. Thatcher's recent remarks on immigrants were reinforced yesterday by a policy declaration in the Commons.

Pointing out that the number of immigrants entering Britain was running at nearly 50,000 a year, the macebearer asks: "Does any responsible person really imagine that this can be sustained without subjecting race relations to grave strain?"

Continued on Back Page

Beef and pig producers can now expect some immediate help. Beef intervention prices should rise by roughly 6 per cent. and the monetary compensatory subsidy on Irish beef imports will be proportionately reduced, making the British market less attractive to Irish exporters. This should very

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Table with 2 columns: Item, Price. Includes various commodities like Guinness, Harrows, etc.

Table with 2 columns: Section, Page. Includes European news, Technical page, etc.

Are you wide awake to the investment openings you dream about? The National Bank of New Zealand





# Canadian Minister quits over forgery

WASHINGTON, Jan. 31.

Although he will be somewhat mollified by the fact that the Pentagon has now persuaded the Germans to allow the gun to be produced under licence in his home state of New York, he has already expressed doubts about the need for the 120mm gun. There has been widespread scepticism within the U.S. Army about the need for a 120mm gun. Some military analysts reckon

that it is marginally only more effective against existing Soviet armour than the 105mm gun. The German defence minister, Franz Josef Strauss, conceded this today but said that the German gun would be much more effective against future generations of Soviet armour.

Adrian Dicks adds from Bonn: The West German Defence Minister, Herr Gero Leber, said that the decision was made to buy the 120mm gun because of the two-way street in NATO procurement announced by President Carter.

The 120mm gun, as their only serious weapons sales prospect, had assumed great political importance to the West Germans. Bonn sets no less store on the U.S. official attitude towards the sale of the 120mm gun than we do into its six-month trial with Eastern Airlines.

## BY JUREK MARTIN, U.S. EDITOR

said, "would seriously add to the tax burdens of U.S. companies in the competition for export business" and seemed "especially counter-productive at a time when our country is running a trade deficit approaching \$300m. a year."

On Capitol Hill, approbation of the tax package, in particular, was almost impossible to find. Congressman Al Ullman, chairman of the Ways and Means Committee, stated that there would be "a different mix" of tax cuts, with a net stimulus of more like \$15-20bn, than the \$24.5bn, which the Administration believes is required to serve economic needs.

BY OUR OWN CORRESPONDENT WASHINGTON, Jan. 31.

matation released to-day was the growth in December for new orders and contracts for plant and equipment.

The Administration is predicting that capital investment, an important factor in continued economic expansion, will grow by 7.8 per cent. in real terms this year. However, other surveys have suggested that this may be too optimistic a projection.

Although monthly figures are fallible guides, the December findings appear to lean towards the Administration view.

LIMA, Jan. 31.

the more radical Gen. Juan Velasco Alvarado in a coup within the military hierarchy. Gen. Molina was political commissar of the sugar co-operatives under the late President Velasco. He will be succeeded as head of the armed forces by Gen. Pedro Richter Prada, who was interior Minister under President Velasco for nearly five years and who has considerable influence at many levels in the army officer corps. Reuter

**BY ART GARCIA IN SANTA BARBARA**

that the Drought Information Centre at the peak of the latest storms was designated the state's Flood Control Centre. Some areas of California were placed on a "yellow alert" flood status as officials worried about serious flooding problems that threaten if the heavy rains continue.

Meanwhile, California's snow-pack in the Sierra is 25 per cent above normal after the most

recent storms and particularly encouraging is the high water content of that thick blanket. The extent of the deep pack, Mr. Robbie said the state may be able to deliver its full contracted amounts to State Water Project agricultural users.

Over the previous two winters, the average amount of rainfall in California was around 50 per cent below normal, but in the northern two-thirds of the state, which includes the central valley farming region, it was nearly 30 to 40 per cent.

All in all, California, and other states in the western U.S. managed to weather the weather in 1977, registering a year of steady progress supported by a strong economy and overcoming a recession in fact. It was the recession in the second year of the recovery from the recession of 1974-75 recession but early indications are that, while 1978 may be another good year, those state economies will not rise as rapidly as in the past. California's normal rainy season comes over and the rains continue falling that general outlook may brighten considerably.

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

fund, of which about \$100,000 remains.

Austin and Pickersgill, part of British Shipbuilders, has made it clear throughout the negotiations with Hanoi that price competitiveness is not the critical handicap but the Government's view of Vietnam's creditworthiness and therefore of whether a financial package can be put together for the deal.

Although the yard is one of the most successful in Britain, it has not taken an order for

has complete technical negotiations with the Shipping Corporation of India on six 16,000 d.w.t. multipurpose cargo liners. The final order for the ships worth £32m. will be placed in the middle of February when a formal contract will be signed at Bombay. The Indian Government has agreed to the order which will be financed from British grants.

The technical negotiations have been successfully completed by Mr. James Gillilan, chairman of

BY K. K. SHARMA NEW DELHI, Jan. 31

**SUNDERLAND SHIPBUILDING** has complete technical negotiations with the Shipping Corporation of India on six 15,000 d.w.t. multipurpose cargo liners. The final order for the ships would be placed in the latter part of the middle of February when a formal contract will be signed at Bombay. The Indian Government has agreed to the order which will be financed from British grants.

The technical negotiations have been successfully completed by Mr. James Gillilan, chairman of

### BY OUR SHIPPING CORRESPONDENT

from shipowners throughout the EEC. British owners are now suggesting an agreement first to gather information on Soviet shipping activities which could then be used for selective action by individual states on the basis of their own merchant shipping laws. Finally, the owners believe, it may be necessary to resort to commonly imposed quotas.

**By Joseph Mann**

This is the broad conclusion of a study published to-day by the IFO Economic Research Institute, of Munich, into the sector generally regarded as the backbone of West Germany's export performance.

According to IFO, the effects of a dearer D-Mark first began to show up in the sector in 1975-1977 in two ways. West Germany's share in the 1980er

BY ADRIAN DICKS . BONN, Jan. 31.

WEST GERMAN manufacturers of capital goods equipment have suffered appreciably from the upward movement of the Deutsche mark during the past decade, but appear to be well on the way to adjusting their product range so as to compensate for lost competitiveness.

This is the broad conclusion of a study published to-day by the IFO Economic Research Institute, of Munich, into the sector generally regarded as the backbone of West Germany's export performance.

According to IFO, the effects of a dearer D-Mark first began to show up in the sector in 1975-1977 in two ways.

Firstly, the West German manufacturers of capital goods

MR. ROBERT STRAUSS, Special U.S. Trade Representative, criticized the "voices of protectionism," yesterday and said he anticipated that President Carter and Mr. Fukuda, Japanese Prime Minister, would take a more enlightened trade posture at this summer's economic summit in West Germany.

# et challenge from

# Carpet challenge from India

**BY A SPECIAL CORRESPONDENT**

for 1980. To achieve this, a major programme of training has been launched which will aim to raise skills so that the finer Persian styles can increasingly be handled. It is hoped in this way to raise the unit value of products, which have in the past been low because of India's concentration on coarser and lower qualities.

These, however, have come under increasing pressure from

**A major training programme which will aim to raise skills to produce the finer Persian styles**

machine-made reproductions and from rugs and runners produced on carpet printing machines and dye patterning equipment in Western Europe.

Further up-market substantial new opportunities have been created around the world as a result of increasing industrialisation in Iran which has tempted skilled weavers away from their looms to lucrative jobs in towns and oil centres.

Other countries, including Pakistan and Turkey, as well as India, are trying to fill the gap, but the Indian industry has already over its rivals, having spread diversified successfully not only into Persian but into Chinese, French Aubusson, North African berbers, and Caucasian carpet styles.

Hand-loom carpet centres are fairly well scattered around northern India, notably in

machine-made reproductions and to be trained if the industry is to

from rugs and runners produced on carpet printing machines and the sale of equipment in the Western Europe.

Further up-market substantial new opportunities have been created around the world as a result of the expanding industrialisation in Iran which has caused skilled weavers away from their looms to lucrative jobs in towns and oil centres.

Other countries, including Pakistan, as well as India, are trying to fill the gap, but the Indians claim to have a lead over their rivals, having already diversified successfully into the Persian bazaar into Chinese, French or African styles, and Caucasian carpet buyers.

The hand loom carpet centres are widely scattered around the northern India, notable in

# Romania steel move by U.K.

**THE DEPARTMENT of Trade** announced yesterday that following detailed consultations with the European Economic Commission, imports from Romania of a wide range of iron and steel products would require individual import licences with effect from midnight.

Licences will be issued on a case-by-case basis at a rate of approximately 25 per cent. of total deliveries of steel products from Romania in 1978 for goods imported up to 31 March 1978, and for other imports up to March 31, 1978. Where considering applications for licences, account will be taken of the volume of deliveries of steel from Romania in the period January to March 1978.

The Department emphasises that introduction of these licence arrangements is an interim measure, to remain in force until more general arrangements concerning future steel imports from Romania into the Community are finalised with Romania and the EEC Commission.

LAUCAS INDUSTRIES, which launched a £50,000 campaign to promote the 1977 Export Year, increased overseas sales by more than 31 per cent. to £147m., writes Arthur Smith, Midlands Correspondent.

Mr. Godfrey Messervy, managing director, paid tribute to the team effort of the 69,000-strong workforce when he presented awards yesterday in Birmingham to winners of the export year suggestion scheme. The company received 25,700 suggestions, of which more than half were implemented.

### Float glass licence

Pilkington Brothers of the U.K. has granted a float glass licence to Turkey's Sise Ve Cam Fabrikalari (Turkish Glassworks) Kenneth Gooding writes. It is the 28th licence negotiated by Pilkington for its float process.

The plant will be built at Tirkiralevi, west of Istanbul. Start up should be at the end of 1980. It is thought the plant will be built at the capacity. Turkish Glassworks, a private company, is owned by the sole float glass manufacturer in Turkey with a turnover in 1977 of approximately \$200m. A previous technical arrangement with Pilkington covered sheet glass manufacture which is carried out at Cayirova.

## Alumina dead

A definitive agreement has been signed in Dublin to implement an earlier agreement in principle for the construction and operation of an alumina plant in county Limerick, Ireland, with an annual capacity of 800,000 metric tonnes. The estimated cost is \$800m.

Signatories to the agreement are Alcan Ireland with 40 per cent participation, Billiton Aluminium Ireland with 35 per cent, and Anasconda Ireland Company with 25 per cent.

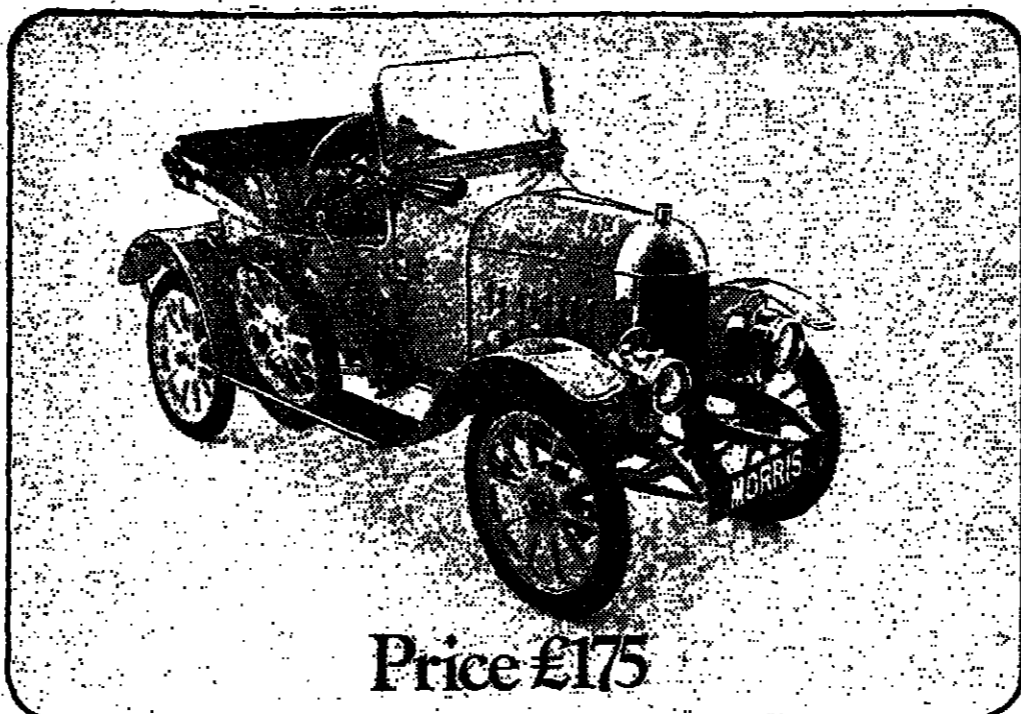
**Motor link**

The South African subsidiaries of Fiat and Alfa-Romeo have begun negotiations on the integration of their operations, Bernard Simon writes. A link between the two companies could be the forerunner of further rationalisation agreements among South Africa's 13 major motor manufacturers, most of whom are believed to be operating at a loss.

### 33m. Iran contract

Brown Boveri of Switzerland has signed a \$60m. (£33m.) contract to expand the electricity supply network in western Iran in co-operation with the State-owned electricity company Tavanir, the company reported.

هكذا من الأحكام



# Every week until March 31st, a 1978 Morris can be had for the same price.

This is the Centennial year of the birth of William Morris. More than anyone else, he created the British car industry. And he did it by offering outstanding value for money.

Things haven't changed: the Morris name still stands for unbeatable value. We think that's worth celebrating...

## The Morris Centennial Celebration.

If you place a firm order for a new Morris Marina before the end of March 1978, you can enter our Centennial Competition. We're giving away a prize a week during the two-month period from the beginning of February to the end of March: the prize is your new Marina at the 1913 Morris Bullnose price of just £175, a saving of over £2000.

## Today's Marina value.

The choice of prize is no accident. In 1913, the first Morris production car at £175 represented the best motoring value you could get. Convert that £175 into today's prices and you end up with a figure of £3022.\* Yet the 1978 Marina range starts at well below £3000.

Not only that, but in 1978 Morris are building cars that are unmistakably a result of William Morris's philosophy: cars with uncomplicated, reliable engineering, classic and unfussy styling, useful space, low fuel consumption and high specification.

To that we now add Supercover protection, and the back-up service of over 2000 Morris outlets.

## Win a vintage Morris or £3022 cash.

Even though you may not be buying a new Marina, you can still enter the Morris Centennial Competition simply by visiting your Morris showroom and collecting your Entry Form. Until March 31st, you could win a real vintage Morris or the current equivalent of the 1913 Bullnose price, £3022 in cash.

## Your local Celebration.

Apart from the two Centennial Celebrations, you'll find lots going on at Morris showrooms throughout the country. Visit yours soon.

You'll find that, more than ever in Morris Centennial Year, Morris means value for money.



# Morris Marina. We haven't lost our sense of values.

Marina prices from £2537.73 including car tax, VAT and front seat belts. Delivery and number plates extra.

\*Mid-September 1977 equivalent of £175, based on a series of inflation-adjusted retail price indices.









PARLIAMENT AND POLITICS

# Party leaders clash on race

BY JOHN HUNT, Parliamentary Correspondent

THE SHOULDERING controversy over immigration flared into a major Commons row yesterday with Mrs. Margaret Thatcher, Leader of the Opposition, engaging in a long and bitter duel with the Prime Minister.

The abrasive tone of the two leaders was matched by the partisan mood of MPs of both major parties during noisy exchanges, which took up all of Prime Minister's question time.

The Speaker, Mr. George Thomas, repeatedly called the House to order as Mrs. Thatcher's words were drowned by Labour chants of "Racist".

Tory shouts of "Rubbish" greeted Mr. Callaghan as he defended the Government's record and claimed that all the loopholes in immigration regulations were now closed. Mr. Andrew Faulds (Lab., Warley E.) could be heard referring to Mrs. Thatcher as "that bloody woman" as the Speaker ordered him to control himself.

The row broke when Mr. Callaghan declared that, in the light of her hard-line television remarks on immigration, Mrs. Thatcher had a responsibility to make it absolutely clear what her party was proposing. She could no longer take refuge in saying that she wanted "a clear prospect of ending

immigration."

He said there were only two ways she could fulfil such an undertaking: either by sending back immigrants who had been living in Britain for years, or cutting back on the number of relatives allowed in.

"I have never wavered in my view on the significance and importance of limiting immigration in order to have good race relations," the Prime Minister told the House.

As Mr. Enoch Powell, the former Tory Cabinet Minister, shook his head in dissent, Mr. Callaghan said that only 28,000 new immigrants came in last year and up to October 1, only 750 came in on the basis of work vouchers. Numbers were 25 per cent. down on the previous year. In addition, 16,200 already living here had been given citizenship during the year.

"It must follow that the numbers are likely to fall and this is, indeed, what is happening," he said. "I know of no better policy than that and I will stand by it."

There were roars of support from the Conservatives as Mrs. Thatcher recalled that 18 months ago the Prime Minister had agreed that the number of

immigrants entering the country was an important element in racial harmony.

"Do you still take that view?" she demanded. "Are you proposing to take no action whatsoever to tighten up the immigration rules?"

Mrs. Thatcher claimed that 28,000 was not the full figure, and also wanted to know the total numbers entitled to come into Britain from the Commonwealth. If they were all allowed in, how could it be reconciled with Mr. Callaghan's earlier statement that numbers were an important factor in race relations?

But support was forthcoming for the Government from Mr. David Steel, the Liberal leader. He maintained that vague Conservative talk of reducing immigration only encouraged "fear, uncertainty and prejudice."

The row ended with Mr. Callaghan appealing to MPs not to engender too much heat on the issue — a forlorn hope judging by the Opposition jeers which greeted his remark.

Whoever won yesterday's verbal battle, one thing emerged for certain. Immigration has now been made a central and emotive issue at the next general election.

## Deakins denies 'muddle' over new drugs law

A TORY attempt to delay a new drugs law beyond mid-night last night was resisted by Mr. Eric Deakins, Health Under-Secretary, in the Commons.

Dr. Gerard Vaughan, Opposition spokesman, protested: "The Government has created an unbelievable muddle over this."

The new law restricts the sale of some popular pills and medicines by chemists without prescriptions.

After complaints that chemists had not been given enough time to learn of the new restrictions, the Government had announced yesterday that they would be given an extra six months.

But it will take about two weeks to amend the law in which time chemists will, technically, be breaking the law if they sell the restricted drugs.

Dr. Vaughan argued that the MPs would not wish the change in the drugs law to go ahead that night when they knew it would be changed again in two weeks time.

Mr. Deakins replied: "There has been no muddle, it is absurd for members of the pharmacy industry to come along now and say they only knew about this

at the last minute."

Consultations had gone on for four years and details of the new law had been made known more than three months ago, he said.

He assured the House that the vast majority of home remedies would continue to remain available without prescription.

Mr. Graham Page (C., Crosby) asked Mr. Deakins to recognize that the Government had made a blunder. He asked whether chemists would be acting illegally during the time it took to introduce the amending order.

Mr. Deakins denied that any chemists would disobey the law. What the Government had done was to make a last-minute concession, in response to last-minute representations from the pharmaceutical industry.

The pharmaceutical industry had received very good notice — over three months — of the Government's intentions, the Minister declared.

A request for an emergency debate on the effect of the Government's actions on veterinary medicines was made by Mr. Patrick Mayhew (C., Tunbridge Wells). His plea was rejected by the Speaker.

## Bill raises limit on Co-op deposits

THE LORDS yesterday supported a bid by Labour peer Lord Jacques to raise the legal limit on the amount of money which may be paid into Co-operative Society deposit accounts.

Under his proposed Bill, which was given an unopposed second reading, Lord Jacques had intended to raise the limit on the amount held in an account for £50 to £300, and the limit on individual deposits from £2 to £20.

But he said he was prepared to accept Treasury advice that the increases should not be so large. The Treasury supported £250 and £10 as the new maxima and he would seek to change the Bill at a later stage.

Lord Jacques said the frustration caused by the old limits had led to a decision to limit the amount deposited with Co-operative Societies. The holdings had fallen from £7m. in 1968 to £4m. in 1976.

It would fade away altogether if some change was not made in the maxima to correspond with inflation.

For the Government, Baroness Birk supported the Bill, provided the Treasury suggestions were accepted. "The Government accept there is a clear case for some increase," she said.

For the Opposition, Lord Cullen also supported the Bill.

## Job measures cost £402m.

ESTIMATED EXPENDITURE on special employment measures for 1977-78 is £402m., Mr. John Gilling, Employment Under-Secretary, said in a Commons written reply yesterday.

## APPOINTMENTS

### Cadbury Schweppes finance director

Mr. Michael Gifford is to become group finance director of CADBURY SCHWEPES at the end of March. He will be succeeded as chief executive of Cadbury Schweppes Australia by Mr. John Urquhart, now managing director of the Australian company's confectionery division. Mr. Clive Thompson, at present chairman and managing director of Cadbury Nigeria, replaces Mr. Urquhart. Mr. Robert Mottram has been appointed regional director, Africa, taking over the regional responsibilities of Mr. Thompson and Mr. Brian Dice, the regional director of East and South Africa, who is to succeed Mr. Douglas Simmons as secretary of Cadbury Schweppes later this year. Mr. Richard Clarke has been made a director of Cadbury Nigeria.

DEBENHAM states that Mr. Eric Crabtree has been appointed as chairman of its fashion multiple division but continues as chairman of Hardy Amies. He also remains a director of Debenhams in a senior executive and advisory capacity. Mr. Edward Rayne takes over the chairmanship of the fashion multiple division, which involves his appointment as chairman of Harvey Nichols and Co. Lotus, Cresta Silk, Debenhams (Manufacturing and Supplies), and J. and S. Bickley. Mr. Rayne retains his positions as chairman and managing director of H. and M. Rayne.

Lord Layton, a former executive Board member of the British Steel Corporation and managing director of the Steel Company of Wales, has joined the Board of WOLFF STEEL HOLDINGS, the steel and tinplate associate of Rudolf Wolff, Wolf Steel Holdings, in partnership with the BSC, owns Afon Tynplaf, a tinplate service centre.

From March 1, Mr. Peter Jefferys has been appointed City and London regional manager of MEPC. Mr. Iain Barraclough will be assistant regional manager.

Mr. R. W. Holder has been appointed to the Board of UKO INTERNATIONAL as a non-executive director. Mr. Holder is chairman of Bridport (Lundry Holdings) and a director of Stone-Platt Industries.

Mr. David Evans has been appointed managing director of SCAFFOLDING (GREAT

## Pym urged to reveal Tory line on Scottish MPs

BY IVOR OWEN, PARLIAMENTARY STAFF

PRESSURE FROM the Government and minority Opposition parties to force Mr. Francis Pym, chief Conservative spokesman on devolution, to admit that he favours a reduction in the 71 Scottish MPs, once the Scottish Assembly is established, failed in the Commons last night.

He doggedly refused to go beyond reiterating the formal position adopted by the Conservative Party that the question of Scottish representation at Westminster, after the transfer power provided by the Scotland Bill takes effect, should be examined by a Speaker's conference.

Mr. Pym moved a new clause requiring the appointment of such a conference when MPs resumed the committee stage of the Bill which, under the timetable procedure, will be completed today.

He repeated earlier warnings that there would be dire consequences once it was generally realised that decisions in the Commons on issues of vital importance to England and Wales could be determined by Scottish MPs even when, because of devolution, they were no longer able to decide such matters in Scotland.

Today that the votes of Scottish MPs caused the Commons to decide a matter for England in a way which English MPs did not accept, "all this will be blown out of the water," he declared.

Mr. Pym stressed that the Conservative Party had no desire to reduce the number of Scottish MPs, nor any desire to alter their responsibilities.

But, if the Bill were carried

into law, despite the anxiety expressed by the Opposition about its potential threat to the unity of the U.K., the position would have to be reviewed.

"Once these responsibilities are transferred to the Scottish Executive and the Scottish Assembly, how can 71 Scottish MPs be justified?" he asked.

Mr. John Smith, Minister in charge of the Bill, claimed that by posing this question Mr. Pym had implied that the number of Scottish MPs should be reduced as a consequence of devolution. "Is that what you're saying, or is it not?" he demanded.

Mr. Pym replied that the proposal for a Speaker's Conference was designed to enable proper consideration to be given by a procedure which had the support of all the political parties to the situation which would arise when devolution diminished the responsibilities of Scottish MPs at Westminster. The task of the Speaker's Conference would be to examine the case for a possible reduction of Scottish representation.

Mr. Pym maintained this position in the face of further challenges from Mr. Enoch Powell (U.U. Down S) and Mr. Alan Bell (L., Berwick on Tweed), who pressed for some indication of the proposals which the Conservative Party wished to submit to the Speaker's conference.

The Conservative Party would be giving evidence to the Speaker's conference, but it would not be disclosed in advance, Mr. Pym declared.

He contended that the Government's desire to see the present number of Scottish MPs remain unchanged after devolution reflected a determination to "gerrymander."



Mr. Pym refused to disclose proposals.

And Tory cheerers, he insisted: "The object of the Bill is to get those Members here so that their votes can be used to continue the process of imposing Socialism on the United Kingdom."

Mr. Powell said that the Tories wanted to invite a Speaker's Conference "to address itself to the squaring of the circle, the resolution of the irresolvable."

He added: "Under the guise of referring this question to a hypothetical Speaker's Conference, we are once again examining the built-in impossibility of maintaining a unitary Parliamentary state while estab-

lishing home rule in part of that state."

Mr. Powell said it would be a "manifest absurdity" if the Scots and their own Assembly but were still able to vote on "crucial decisions" in Parliament that affected only England, Wales and Northern Ireland.

"It is unreal to suppose that we can separate one category of our business which affects England, Wales and Northern Ireland, but not Scotland," he said. He and his colleagues would oppose the Tory proposal.

Mr. Tam Dalyell (Lab., West Lothian) said: "This is the rock on which the previous Bill foundered and no Speaker's Conference would put a detonator under that rock."

If the problems of the Bill could not be reduced by 24 days of debate, they could not be solved by such a conference.

Mr. Dalyell claimed the only thing that was keeping the Bill alive was the "misplaced embarrassment" of some Ministers and colleagues. He urged the Prime Minister to "admit with all the grace and charm he has that his endorsement of devolution was a mistake."

Scottish Nationalist leader, Mr. Donald Stewart, said that when a Scottish Government was in operation with genuine and substantial powers, a Speaker's Conference could usefully discuss the Tory proposal.

Until then, it was simply an example of "imperialist divide-and-rule tactics." It was devoid of commonsense, relevance and justice, and should be rejected.

Mr. David Price (C. Eastleigh) said that all members of the House must be equal. "I believe that if this Bill becomes an Act of Parliament, there must be reduced Scottish representation in this House."

## Minister flies to snow-hit Highlands

SCOTTISH Under-Secretary Mr. Harry Ewing was flying to Inverness to be on the spot for relief operations in the blizzard-hit Highlands. Mr. Bruce Millan, Scottish Secretary, told the Commons yesterday.

Mr. Millan said that four people had died as a direct result of the storm and one man was still missing. He expressed his sympathy to the relatives of the dead.

"Because of the disruption to communications by road, rail and telephone, information about the effects of the storm on the more remote areas, particularly north-west Sutherland, is not comprehensive," the Secretary of State added.

He was keeping a close watch on the people on the spot who knew the local circumstances.

Extra snow clearing equipment was being sent to the area and the RAF was bringing in a large snow-blower from Switzerland.

Mr. Teddy Taylor, shadow Scottish Secretary, asked for a review of early warning arrangements for motorists and other travellers, many of whom had been trapped by the sudden blizzards.

Mr. Millan promised to study advance warning arrangements, and said that the Government would also look sympathetically at claims for cash aid when the final situation was clear.

## Drink revenue

THE LATEST estimate of revenue in 1977-78 from wines and spirits is £1,155m. in excise duties and about £200m. in VAT. Mr. Robert Sheldon, Treasury Financial Secretary, said in a Commons written reply yesterday.

## MP pleads for choice to work until 70

CLOSE ON the heels of a petition that the pension age for men should be cut to 60, MPs yesterday heard a plea that compulsory retirement before the age of 70 should be banned.

In the Commons late on Monday night, Mr. Greville Janner (Lab., Leicester W) presented a petition with "hundreds of thousands of signatures" calling for pension age equality between men and women.

Yesterday, Mr. Ivor Stanbrook (C., Orpington) brought forward a private member's Bill to enable men to work until 70 if they wished. The measure was given a formal first reading.

Mr. Stanbrook argued that the idea of automatic retirement in one's sixties was "ridiculously old fashioned and fuddy-duddy." It was a terrible waste of skill and experience.

## TV licence campaign

MR. MERLYN REES, Home Secretary, warned yesterday that there would be a crackdown on television licence dodgers this year.

An estimated 1m. licence dodgers were costing about £15m. in lost revenue, he declared.

Mr. Rees said in a Commons written reply that a working party from the Home Office, Post Office and the BBC was investigating the administration of the licence system.

It was "carefully reviewing" these figures with a view to initiating an intensive campaign against licence evasion this year.

## Wage buys more whisky

THE AVERAGE British worker now has to spend 7.6 per cent. of his weekly net wage to buy a bottle of whisky, compared with 14 per cent. in 1967, MPs were told yesterday.

But outlay on one pound of sirloin beef has risen from 1.9 per cent. of the average weekly wage in 1967 to 2.5 per cent. now.

The figures were given by Mr. John Gilling, Employment Under-Secretary, in a Commons written reply. They were based on the average national wage of a married manual worker with two children.

## Crime inquiry team named

THE MEMBERSHIP of the Royal Commission on Criminal Procedure, to be chaired by Sir James Callaghan, former Vice-Chancellor of London University, was announced yesterday.

The members are Professor Sir Michael Banton, Lord Justice Wilfred Wood,

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# The Management Page

HOURLY SALARY OF PRODUCTION WORKERS (1976)				
Large firms	Medium firms	Small firms	Part-time workers	
1.00	0.90	0.80	0.70	5 U.S.
2.00	1.80	1.60	1.40	10 U.S.
3.00	2.70	2.40	2.10	15 U.S.
4.00	3.60	3.20	2.80	20 U.S.
5.00	4.50	4.00	3.50	25 U.S.

NUMBER OF EMPLOYEES IN COLOUR TV FACTORIES		NUMBER OF COMPONENTS IN A 20 INCH COLOUR TV	
Company	1972	1976	
Hitec	9,951	4,299	Components 1970 1977
Philips	9,825	5,900	Integrated circuits 2 4
Sony	4,478	2,778	Transistors 65 34
Other	24,462	14,700	Diodes 45 38
			Other (Index) 100 50-70
			Electric power consumption 155w 85w

EUROPEAN INDUSTRY has been taking a defensive, technology-pushed approach to product innovation over the past few years, and much of it is now in danger of being swamped by the more rapid and aggressive market-pulled innovation of the Japanese and Americans. This bleak message was presented in Switzerland at the weekend to over 600 European executives and chief executives by one of the Continent's most respected research managers, Professor Umberto Colombo, Montedison's director-general of research and development, and President of the European Industrial Research Management Association.

Reinforcing his thesis with case studies of Japanese and American product strategy, and examples of how Government involvement can both help and hinder the innovation process, Professor Colombo's two papers have, so far, proved the high point of the exclusive Davos Symposium, which is organised each year by the European Management Forum.

When the delegates return home in the next few days, many of them will still have Professor Colombo's words ringing in their ears: "Europe has a dramatic need for innovation. But it lacks the thrust necessary to diffuse innovation in the market." Seen against the underlying theme of this year's symposium, that innovation is all the more necessary now that so many of Europe's traditional industries are declining—thanks to competition from new countries, the slow-down in world growth, and other factors—Professor Colombo's warning is of paramount importance.

Professor Colombo was careful to point out that his judgement was not one of complete gloom. Some sectors of European industry were maintaining their market strength through innovation—such as pharmaceuticals, dyestuffs and other fine chemicals. But in general Europe's continued innovation at the level of theoretical science and experiment were not being diffused into the marketplace thanks in part to the traditional hierarchy of economic, social and cultural values in Europe. Whereas Japanese industry and Government were getting together to promote new technologies, Europe's industrial

Christopher Lorenz reports from Davos on possible effects of Japanese and U.S. product strategy

## The innovative threat that faces Europe

cartels had a largely defensive and conservative character, and were therefore not conducive to innovation. Innovation in Europe seemed to be mostly of the "technology-pushed" type: there had been successful examples of this genre, such as direct reduction in steelmaking, and Pilkington's float-glass process, but in several cases—polypyrrolene, optical fibres—such innovations had been better exploited by American or Japanese companies.

Professor Colombo's analysis of Japan's typical product strategy, in at least 14 major product areas, identified several distinct elements; a much later start than Europe and the U.S.; confinement to mass markets; adoption of a low-price, high-product diversification and extensive cost reduction; resulting in major world market shares and high profits.

The most vivid case study he gave was in colour television manufacture. Since inflation had added extra urgency to the strategy from 1970 onwards, the Japanese manufacturers had reduced the number of com-

ponents in each set and introduced advanced automation techniques. As a result, product quality had improved, the number of employees had been dramatically reduced, and production volume had soared. Examples were given in a table, part of which is reproduced here.

Of all the significant differences between the social context within which European and Japanese industry have to work, Professor Colombo pinpointed two which are seldom identified: the large industrial groups usually have behind them a hierarchy of suppliers and sub-suppliers, with very different situations in terms of trade union protection, wage levels and job security. Not only did labour costs fall as one went back along the supplier chain—"with a remarkable difference between men and women"—but dramatic cost reductions could be achieved by combining technological change with "labour expulsion, mostly by exploiting the lower status of female workers." The chart illustrates some of the salary discrepancies.

Turning to the other half of the product pincer movement on Europe, Professor Colombo made much of the new American policy of "infrastructure" currently being fostered by the Department of Commerce for traditional sectors of industry which are lagging behind foreign competition, and where new technologies and products need to be identified.

Professor Colombo said the technical aspects of innovation could become sterile if they were not accompanied by equally innovative marketing. The best example to his mind was Xerox, where leasing was the crucial marketing step, since it shifted the cost to the consumer from initial investment to day-to-day use. In the future a similar approach could be applied to other products, for instance solar heating, where initial investment costs were too high compared with competitive technologies.

Another lesson European companies should learn was that product innovation in particular sectors often came from outside—for example the transistor was not originated in a company which produced vacuum tubes; nor the ball-point pen by a fountain-pen maker.

But Professor Colombo was not particularly hopeful that the Europeans would be able to put these lessons into practice. European industry tended to anchor itself to the technology in which it had specialised, whereas "a young, immature, non-traditional society like the Japanese, and an aggressive, opportunistic taking, imaginative society such as the Americans, were less vulnerable to such innovation threats from outside. Much depended on whether, in spite of signs to the contrary, European companies would prove flexible enough to adapt their attitudes and behaviour in order either to penetrate a new technology and then keep pace with subsequent developments in it, or to

remain successful in a traditional area.

The conservative attitude of industry to innovation, the lack of substantial public incentives, and the anti-technology mood still pervading public opinion would all have to be overcome if Europe was to progress in an ever-changing environment, Professor Colombo said.

To one of the key themes of the symposium—whether more or less government intervention would be conducive to industrial and product regeneration—he gave no completely clear answer. Though praising the American belief in market economics as the key element favouring innovation, his reference to the Department of Commerce seemed to imply a belief that governments have an important part to play, particularly in the cross-fertilisation of new ideas between governments—including the military—and private industry.

Colombo argued, "Policies aimed at unemployment compensation and at temporary Government-created jobs ignore the fact that many former jobs are disappearing because some major sectors of the economy are in a long-term decline."

Pointing out some of the less obvious, high-value technologies which would be "appropriate" for Europe in the future—some of them labour-intensive—Professor Colombo cited recycling plants, small and flexible steel plants, and agricultural and related industrial activities (including genetics). The removal of many bureaucratic obstacles to this sort of innovation was a major priority, he emphasised.

If there was a sting in the main body of Professor Colombo's argument, then the tail was also far from harmless. He reported that, by buying foreign licences, several Italian companies had rushed to secure the new technology of making single-cell protein from paraffin, and had received Government subsidies for their factories. But the surge in oil prices, and the low price of soy—the main competitive product—had made this investment uneconomic, he said. Montedison itself had been more cautious, and had stood back from this technology for the present: Professor Colombo claimed that his position in 1972, as chief of the OECD's committee for scientific and technological policy, had given him an inkling that oil prices were likely to rise. In other words, product innovation should not be just a question of what, but when.

### Subsidised

In the shoe industry, for example, project teams were being formed which would include production people from the industry itself, engineers from production machinery companies, and specialists in automation and materials. "This initiative will be highly subsidised" by Government agencies and help will be available from a Federal laboratory consortium, and could lead to a completely new, automated way of making shoes—"with very severe effects on European, and especially Italian industry."

Combining his depressing analysis with some positive pointers towards a solution,

### Interference

But he agreed with a director of Hoechst, the German chemical group, who argued from the floor that research and innovation were more likely to get off the ground without Government interference.

It would be particularly helpful if more people realised that Europe's current economic problems were not primarily caused by short-term business cycles. Last year's influential McCracken Report to the Organisation for Economic Co-operation and Development, "towards full employment and price stability" was "short-sighted" on this point, Professor

subsidary carrying on a related business.

What are the practical conclusions for managements of companies big and small? First, it is fairly evident that it is no longer safe for a parent company automatically to disclaim responsibility for the debts and illegal acts of fully controlled subsidiaries, even if not fully owned, and for loss caused to minority shareholders either by draining away of profits or by a takeover. And, second, that creditors, and even more so agencies enforcing competition rules, stand a good chance of penetrating the protection of limited liability in ordinary courts without having to resort to voluntary international guidelines.



## Liabilities of a parent company

By A. H. HERMANN

CAN PARENT companies be held liable for the behaviour of their subsidiaries or are they protected by the "limited liability" concept in the same way as private shareholders? This old question has been asked again recently this time in connection with a shortfall by the liquidated subsidiary of the U.S. Badger Company which had to be made good by

the parent company fully to compensate the 250 former employees in Antwerp. Badger Company Inc. itself is one of the 14 major subsidiaries of Raytheon, an important science-based engineering group with a large stake in sophisticated defence projects.

Professor R. Blanpain, who specialises in labour relations of multinational enterprises and acted as consultant to the Belgian Government in this matter, collected some of the relevant documents together with his own notes in a book which claims that the OECD guidelines are useful in convincing multinationals that they should abide by their moral obligations.

over the personality of a limited company through which the courts cannot see. But that is not true. The courts can and often do draw aside the veil. They can, and often do, pull off the mask. They look to see what really lies behind."

The employees, as in the Badger case, though often classed as privileged creditors, are not the only category of creditors who, together with minority shareholders, are protected by the laws of many countries against the unbridled application of the doctrine of limited liability. German statute law specifically designed for groups of companies (Konzernrecht) goes very far in this direction and is likely to influence strongly the EEC rules for groups of companies which are one of the Commission's projects for harmonisation of company laws of the member states.

The "piercing of the corporate veil" has already been completed in the area of competition rules. In the U.K. the Fair Trading Act 1973 treats as "one person" companies which are "members of one and the same group of interconnected bodies corporate." In the EEC the Commission has adopted the same attitude in several of its decisions and the European Court approved of it in *Commercial Solvents v. Commission* when it ruled that because of the power of the U.S. based Commercial Solvents over its Italian subsidiary and their united action, the two com-

\*The Badger Case, by R. Blanpain, 1977 Kluer, Dordrecht (Holland) 210 pp. FF, D.fl.52.00.

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# Mrs. Thatcher and the facts

People are really rather odd that this country might be different from other countries. Mrs. Thatcher on television Monday night.

The total "immigrant" population of Britain is around 1.5m, including an arbitrary figure of 300,000 "illegal" immigrants. A total "black" population—Asian, West Indian—is considerably lower—about 1.5m. You go back to the larger figure, and this includes Indians, Pakistanis, Africans, Malays, and a dozen other groups from the scattered parts of the British Empire, and it comes to something under 1.5m. According to the best available estimates this proportion might be doubled by 2000, but the balance of ability is that it will not.

It is not easy to get clear from the Home Office "Immigration," Mrs. Thatcher.

Statistics covering origins and destinations of immigrants from every country in the world are published annually by the Home Office, are brought up to date in special statements every year. See "Control of Immigration Statistics, 1976," issued as Cmnd 8283 by Her Majesty's Stationery Office, and predecessors for the past five years.

Most recent, dated October 21, 1977, tells us that in the third quarter of last year the backlog of dependents in Pakistan accounted for a 10 per cent increase in the number of its nationals accepted for settlement, as against the quarter of 1976. But the figure, taking in arrivals from other "New Commonwealth" countries was 22 per cent.

ETHNIC MINORITIES IN BRITAIN					
	Mid-1971 population	Births	Deaths	Net migration	Mid-1976 population
Indian	307	62	7	25	390
Pakistanis	171	43	3	35	244
African Asians	48	9	1	84	160
Total Asians	526	114	11	147	794
African	49	16	1	13	97
West Indian	553	64	8	5	604
Cypriot & Maltese	140	18	3	4	151
Far East & Others	43	17	1	34	115
Total	1,371	229	24	195	1,771

1 including Bangladesh 2 including Gibraltar & Gex 3 Hong Kong, Singapore, Malaysia, Samoa, Fiji, etc.

Source: Office of Population Census and Surveys

Mr. Callaghan said in the Commons yesterday that numbers overall were a quarter down last year. A tightening of the rule for people who marry British wives accounts for part of this; deliberate but unacknowledged administrative delays may account for another part.

"What we want to know, and what the Home Office have never been able to let us know, is the numbers who, under present law, are entitled to come here," Mrs. Thatcher.

The report of a Home Office appointed committee under the chairmanship of Lord Franks (Command 6888), published in February 1977, explained the complications of a register of dependents of people already living in Britain. It is not possible to predict how many of them will take foreign husbands or wives, of any colour. It is particularly useful to Canadians who may be entitled to come (since they are not regarded as "people with a different culture"), but a register that set out criteria would run into the difficult question of how many drops of non-white blood one would have to have to be included.

"There was a committee which... said that if we went on as we are then by the end of the century there would be 4m. people of the new Commonwealth or Pakistan here," Mrs. Thatcher.

In paragraph 15 of its report the Franks Committee hints at a figure of about 3.8m, on unchanged policies. "The number of future immigrants and their children is likely to account for a smaller proportion of the increase between now and the end of the century than will those born in the U.K. to those already here," said the committee.

Following the publication of its report, further work based on the 1971 census and subsequent registrations of births, deaths and net migration became available. Professor W. Brass, Director of the Centre for Population Studies of the University of London, put them through some standard statistical tests.

He started with the fall in the "total fertility rate" (likely completed family size on present trends) for the whole British population between 1969 and 1975. Leaving aside his decimal points, this was a remarkable drop from an expected average of three children per family to just under two. The fall for

peoples' fears on numbers," Mrs. Thatcher.

Taking official published statistics and Professor Brass's work, it is clear that the fears on numbers have no basis in the likely growth of the West Indian population. There is now a small net outward migration, and the birth rate is right down. Because there is a large number of young West Indians living here their total population will grow faster than the rate recorded by the indigenous population; the degree to which future outward migration may offset this is unknown.

The Asian population is still coming in, mainly because their major wave of dependents is still on its way. It is relatively such a young population that it will produce many babies, even if its fertility rate falls. Professor Brass calculates that the total "New Commonwealth" population will grow by about 600,000 by the end of the century if all its ethnic groups reproduce at the native British rate from now on, and by a further 200,000 to 300,000 if the Asians remain extra fertile for a few more years. His best guess on the likely immigration, based on present policies being unchanged, is a further 600,000—bringing the AD 2000 total to some 3.3m. to 3.4m.

"We must hold out the clear prospect of an end to immigration," Mrs. Thatcher.

The Conservative leader spoke of "between 45,000 and 50,000 people coming in a year," which she equated to two new small towns. The actual annual average for the five years to 1976 is 39,000, net, as indicated above. It has since been natural increase over the same period was about a thousand a year higher, and it can be expected to rise.

"... except, of course, for compassionate cases," Mrs. Thatcher.

A clear list of categories of dependents at present admitted for entry is contained in the Franks Report. (There are very few work permits granted now.) The first is "wives and children of those already settled here." Under the Conservatives' Immigration Act of 1971, all immigrants settled here before January 1, 1973 can bring their wives, and children under 16. All are, of course, subject to clearance on entry.

Arrivals since 1973 may not apply to register as settled immigrants for the first five years of their stay. We will not know for at least a year how many of the first year's crop of post-1973 arrivals will apply for settlement; only they would be permitted, under present law, to bring in dependents. It is thus not possible to calculate the numerical effect of cutting off this right.

Parents, grandparents and other relatives living in distressed circumstances may be brought in, subject to clearance; the rules for such cases have been progressively tightened.

"NEW COMMONWEALTH" POPULATION OF GREAT BRITAIN					
	Mid-year population	1971-72	1972-73	1973-74	1974-75
Population at beginning of period	1,371	1,453	1,547	1,615	1,691
Births	-49	-47	-44	-44	-45
Deaths	-4	-5	-5	-5	-5
Natural increase	-42	-42	-39	-39	-40
Migration	-37	-52	-29	-37	-40
Change in year	-82	-94	-68	-76	-80
Population at end of period	1,453	1,547	1,615	1,691	1,771
Per cent. of home population at end of period	2.7	2.8	3.0	3.1	3.3

Including Pakistanis.

Source: Office of Population Census and Surveys

Immigrant organisations believe that it is already very difficult to get anyone in under this provision.

Flancees and, since 1974, fiancées may be given temporary admission, and accepted for settlement on marriage. The loophole for engaged men from abroad was widened by Mr. Roy Jenkins: it is the one thought by most people to be the most likely to be closed if any rules are tightened. On past figures, it might reduce immigration for settlement by two or three thousand a year—but then prospective spouses could still come in as students or visitors, marry, and apply for settlement.

"You know, the British character has done so much for democracy, for law and order, for much throughout the world..." Mrs. Thatcher.

The Franks Committee (paragraph 21) says: "The reluctance of Parliament retroactively to take away the entitlements or expectations which people had already acquired is most clearly exemplified in the repeated preservation since 1962 of the right of a Commonwealth citizen settled in the United Kingdom (that is, lawfully here free of conditions on his stay) to bring his wife and children under 16 (in practice under 18) to join him. For those becoming settled since the 1971 Act took effect, the entitlement is not to be found in the statute law, but in the Immigration Rules approved by Parliament."

"Are the dependents coming in now the wives and families of people who came in after 1973? If they are they have come without the right to permanent settlement" — Mrs. Thatcher on the Jimmy Young show yesterday.

The provisions affecting such people, says the Franks Committee, "reflect the ratification by the U.K. of, for example, the European Convention for the Protection of Human Rights which guarantees inter alia the right to marry and found a family, and respect for private and family life..."

Joe Rogaly

## Letters to the Editor

### Debate on mergers

Mr. N. Stacey.

Correspondence in your issue (January 19) on the risk of being backed by the Government in debating the points originally raised. My points are the assumption that mergers tend to reduce competition and that they tend to be less profitable.

Drs. Meeks declare, for instance, that a merger in an industry makes competition less than it would otherwise have been. A generalisation difficult to substantiate and only rarely plausible. Statistics on the number of firms and the number of products which tend to be highly competitive and vulnerable to imports; so can mergers reduce competition in the real world as it is in Utopia?

Doctors also feel keenly "disappointing" profit performance of merged companies. Readers may feel quite differently (as this one does) that companies merged between 1965 and 1973 could scarcely avoid showing disappointment in subsequent years. In much the same way as so many of the mergers of the 1960s did during this period.

Managers and capitalists? I am not industrialist and I am not a capitalist. I agree with the latter, learn quite quickly from science. If they don't learn "managers" are fired and "capitalists" are not.

What happens when a company is acquired, as happened to the British Overseas Airways Corporation? I agree with the latter, learn quite quickly from science. If they don't learn "managers" are fired and "capitalists" are not.

## Windmills on high

From the Chairman, Batales.

Sir—Your Science Editor's article, January 26, includes a map to indicate areas of highest available wind energy in the U.K. Although I have this method in relation to power windmills, it may be that now Orkney and Shetland are major oil terminals wind power is not necessary. Or it may be, now that Joe Grimmond has arranged a separate referendum for them, that they will opt out of U.K. energy. I have returned to their original allegiance, Norway!

During the 1920s and early '30s my father built a wind-generated electricity system in Orkney. Just after the war the Scottish Electricity Authority built a large modern windmill at Costa Head in Orkney to feed electricity from an asynchronous AC generator into the local grid. But attempts at large wind-driven generators fail for two reasons: (a) if they are in areas of highest wind availability they are subjected at times to very short gusts of wind whose speed exceeds 130 mph. This either demolishes the tower or sets up flutter in the blades which eventually fail due to fatigue; (b) if they are in areas of high average wind speed, the frequency and duration of periods of almost no wind are such as to require large uneconomical energy storage schemes such as pumped storage.

In a general wind-generated electricity system, it has been found that where only intermittent supply is necessary (for example, heating of water or for raising soil temperature by resistance heating). Small windmills generating up to 10 kw at maximum wind force can be economical in fairly remote areas such as Orkney, Shetland and North West Scotland where a continuous supply is not required.

(Col.) A. L. Work, 13, College Place, Southampton.

## Computing the gains

From Mr. L. Goslin.

Sir—The trouble with Mr. J. Bennett's proposal (January 20) that the capital gains tax base date should be brought forward, is that many people sitting on large paper losses prior to the new base date would be unable to offset them against future gains.

Like Mr. S. Penwill (January 27) I manage investments, and as the years go by find it increasingly tedious to compute the gains. Name changes, capital returns, scrip issues (particularly in the form of preference shares or loan stock), part sales, take-over bids in the form of various bits of paper, etc., all tend to complicate matters and increase the work load.

A typical example is a sale of ZCI loan stocks which I made some years ago. This involved Bancroft Mines bought pre-1965, a share exchange bid by Nchanga, a further bid by the Zambian Government involving shares and two different loan stocks, the conversion later of one of the loan stocks into shares and yet another loan stock. Complicating matters further was a take-over by the same party of my Bhokans shares in a similar manoeuvre. Shares were fed to my tax inspector, and after spending what must have been a considerable time on the matter he came up with a gain of £5.97. This however, had presupposed that an odd 50 Nchanga shares had come about as a bonus issue. I pointed out that they had been bought for £90.40 on May 15, 1967. Nothing further was heard, but some time later a small refund from the Inland Revenue dropped through my letter box, with no comments. With a Bed and Breakfast deal lined up for the residue of my ZCI shares, it seems I will have to go through this whole dreary rigmarole once more.

All in all, I think Mr. J. Bennett has the right idea—tax-free gains up to say £1,000. This would help small investors like myself to at least circumnavigate the more tricky ones. It would also take a lot of the burden off the backs of the tax inspectors.

L. S. Goslin, "The Cottage," 2, Wake Oliver Rd., Weymouth, Dorset.

## In danger of hell-fire

From Mr. L. Clark.

Sir—A typical example is a sale of ZCI loan stocks which I made some years ago. This involved Bancroft Mines bought pre-1965, a share exchange bid by Nchanga, a further bid by the Zambian Government involving shares and two different loan stocks, the conversion later of one of the loan stocks into shares and yet another loan stock. Complicating matters further was a take-over by the same party of my Bhokans shares in a similar manoeuvre. Shares were fed to my tax inspector, and after spending what must have been a considerable time on the matter he came up with a gain of £5.97. This however, had presupposed that an odd 50 Nchanga shares had come about as a bonus issue. I pointed out that they had been bought for £90.40 on May 15, 1967. Nothing further was heard, but some time later a small refund from the Inland Revenue dropped through my letter box, with no comments. With a Bed and Breakfast deal lined up for the residue of my ZCI shares, it seems I will have to go through this whole dreary rigmarole once more.

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L. S. Goslin, "The Cottage," 2, Wake Oliver Rd., Weymouth, Dorset.

## Low cut-in speeds

From Mr. J. Nichols.

Sir—Recent correspondence on the use of aero generators for the supply of electricity has been concentrated on MW units feeding into the grid and have talked of the power needs of a house in terms of electrical energy.

I believe that your correspondent has overlooked a few basic facts which must be understood before an opinion can be expressed on the suitability of wind power as a useful source of energy.

We would not be considering it unless we were concerned with energy conservation. It

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## OFFSHORE AND OVERSEAS FUNDS

[illegible]

Solar Lease P.	197	198
Sun Alliance Fund Managers Ltd.		
Sun Alliance House, Hershman		
Exp'd Jan 11	1974	198
Int. Bn Jan 31	1975	198
Sun Alliance Linked Life Ins. Co.		
Sun All three Houses, Hershman		
Equity Plan	1975	198
Tenement Fee		
Pensions Ltd.		

52 Cap.	199.0	
52 Div.	149.0	
52 P/E	1.3	-1.7
Money Cap.	12.7	65.9
Mon. Acc.	65.1	68.0
Ch. Inc. Acc.	47.5	5.0
Ch. Inc. Acc.	51.1	50.2
Next sub. day Feb. 25		

<b>Court Property Fund Miners. Ltd.</b>		
Richm. Lane, London, E2 4		
Tel. 01-626 4356		
P. Dec 30	01.01	121.4

<b>Sun Life of Canada (USA) Ltd.</b>		
2, 3, 4, Cockspur St., SW1Y 9NH		
Maple Lf. Grn.	195.7	
Maple Lf. Mand.	124.0	
Maple Lf. Eqty	120.0	
Maple Lf. Eqty	120.0	
Maple Lf. Eqty	120.0	

<b>London Life Assurance Co. Ltd.</b>		
1, 2, 3, 4, Cockspur St., SW1Y 9NH		
Maple Lf. Grn.	195.7	
Maple Lf. Mand.	124.0	
Maple Lf. Eqty	120.0	
Maple Lf. Eqty	120.0	
Maple Lf. Eqty	120.0	

[illegible]

Fd Jan. 18	123 23	23 95	—	—	—	—	—
mt Jan 18	123 44	19 70	—	—	—	—	—
F Jan 18	124 03	24 77	—	—	—	—	—

Vanbrugh Pensions Limited

Prop Bds	1922	1+0-1	Managed	99.0	100.0
			Leased	99.0	100.0
<b>Insurance Group</b>			Paved Inter.	99.0	100.0
Life, Place, Local.	601 227 4432		Guaranteed	99.0	100.0
Shield Pl.	1235	238 0-2-2	Property	99.0	100.0
			Guaranteed see 100 Base Rate	238.0	
<b>&amp; Prosper Group</b>					
Relent, Lnda. EOP REP	915 080				
1970	121.5	21.5			
1971	124.4	23.2			
1972	125.7	24.3			
1973	127.1	26.3			
1974	128.4	28.3			
1975	129.7	30.3			
1976	131.0	32.3			
1977	132.3	34.3			
1978	133.6	36.3			
1979	134.9	38.3			
1980	136.2	40.3			
1981	137.5	42.3			
1982	138.8	44.3			
1983	140.1	46.3			
1984	141.4	48.3			
1985	142.7	50.3			
1986	144.0	52.3			
1987	145.3	54.3			
1988	146.6	56.3			
1989	147.9	58.3			
1990	149.2	60.3			
1991	150.5	62.3			
1992	151.8	64.3			
1993	153.1	66.3			
1994	154.4	68.3			
1995	155.7	70.3			
1996	157.0	72.3			
1997	158.3	74.3			
1998	159.6	76.3			
1999	160.9	78.3			
2000	162.2	80.3			
2001	163.5	82.3			
2002	164.8	84.3			
2003	166.1	86.3			
2004	167.4	88.3			
2005	168.7	90.3			
2006	170.0	92.3			
2007	171.3	94.3			
2008	172.6	96.3			
2009	173.9	98.3			
2010	175.2	100.3			
2011	176.5	102.3			
2012	177.8	104.3			
2013	179.1	106.3			
2014	180.4	108.3			
2015	181.7	110.3			
2016	183.0	112.3			
2017	184.3	114.3			
2018	185.6	116.3			
2019	186.9	118.3			
2020	188.2	120.3			
2021	189.5	122.3			
2022	190.8	124.3			
2023	192.1	126.3			
2024	193.4	128.3			
2025	194.7	130.3			
2026	196.0	132.3			
2027	197.3	134.3			
2028	198.6	136.3			
2029	199.9	138.3			
2030	201.2	140.3			
2031	202.5	142.3			
2032	203.8	144.3			
2033	205.1	146.3			
2034	206.4	148.3			
2035	207.7	150.3			
2036	209.0	152.3			
2037	210.3	154.3			

Int. Jan. 24, 1951	155.1	163.2	.....
Jan. 24, 1951	114.3	120.2	.....
Int. Jan. 24, 1951	154.6	157.1	.....
Int. Jan. 24, 1951	136.2	137.0	.....
Int. Jan. 24, 1951	127.5	134.5	.....

Jan 24	215.5	217.6	11	Single premium
Jan 24	111.9	121.9	12	Offered price includes all expenses except
Feb 24	144.7	152.6	13	agent's commission. Offered price includes
Feb 24	142.7	152.6	14	all expenses if bought through broker
Apr 24	117.8		15	Previous day's price. Water of
Apr 24	125.5		16	guaranteed capital gains unless indicated
Apr 24	232.2	202.2	17	otherwise
Apr 24	225.1	237.9	18	before jersey tax. Offered price



Table with multiple columns listing various industrial stocks and their prices. Includes sections for 'INDUSTRIALS - Continued' and 'INSURANCE'.

Table with multiple columns listing various insurance companies and their prices. Includes sections for 'INSURANCE' and 'PROPERTY'.

Table with multiple columns listing various property-related stocks and their prices. Includes sections for 'PROPERTY' and 'INV. TRUSTS'.

Table with multiple columns listing various investment trusts and their prices. Includes sections for 'INV. TRUSTS' and 'FINANCE, LAND'.

Table with multiple columns listing various finance and land-related stocks and their prices. Includes sections for 'FINANCE, LAND' and 'OILS'.

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FAR WEST RAND  
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3-month Call Rates

